



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 3, 2007

### **H.R. 1205**

### **Coral Reef Conservation Amendments Act of 2007**

*As ordered reported by the House Committee on Natural Resources on June 28, 2007*

#### **SUMMARY**

H.R. 1205 would authorize the appropriation of \$201 million over the 2008-2012 period to the National Oceanic and Atmospheric Administration (NOAA) and the Department of the Interior (DOI) for coral reef conservation programs and research. Assuming appropriation of the authorized amounts, CBO estimates that carrying out those activities would cost \$25 million in 2008 and \$181 million over the 2008-2012 period. (The remaining \$20 million would be spent after 2012.) Enacting H.R. 1205 would not affect direct spending or revenues.

This bill contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). H.R. 1205 would impose a private-sector mandate, as defined in UMRA, by making it unlawful for any person to destroy, cause the loss of, or injure any coral reef that is subject to the jurisdiction of the United States. Entities that damage coral reefs would be liable to pay for any vessel removal and reef restoration costs. Based on information from NOAA, CBO estimates that the direct cost of the mandate would fall below the annual threshold established by UMRA for private-sector mandates (\$131 million in 2007, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 1205 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
NOAA Coral Reef Conservation Program					
Authorization Level	30	32	34	35	35
Estimated Outlays	19	27	32	34	35
DOI Coral Reef Conservation Program					
Authorization Level	5	5	5	5	5
Estimated Outlays	4	5	5	5	5
Community Planning and Coral Reef Research Grants					
Authorization Level	2	2	2	2	2
Estimated Outlays	2	2	2	2	2
Total Changes					
Authorization Level	37	39	41	42	42
Estimated Outlays	25	34	39	41	42

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 1205 will be enacted near the start of fiscal year 2008 and that the authorized amounts will be appropriated for each year. Estimated outlays are based on historical spending patterns for NOAA and DOI conservation programs.

H.R. 1205 would authorize the appropriation of \$201 million over the 2008-2012 period for coral reef conservation activities and grants. The authorizations include between \$30 million and \$35 million annually for NOAA's current programs and \$5 million annually for new DOI conservation programs. (By comparison, NOAA received an appropriation of around \$26 million in 2007 for the coral reef conservation program. The Department of the Interior, primarily the U.S. Fish and Wildlife Service, also received appropriations of several million dollars for coral reef programs in 2007, but under other statutes.)

The bill also would authorize the appropriation of \$8 million over the 2008-2012 period for NOAA's community planning grants to states and \$1 million for each of two universities in the South Pacific for coral reef research. CBO assumes that those authorizations (totaling \$10 million) would be appropriated and spent roughly evenly over the five-year period.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

H.R. 1205 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments could benefit from grants authorized by the bill; any costs they incur to comply with grant requirements would be incurred voluntarily.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

H.R. 1205 would impose a private-sector mandate, as defined in UMRA, by making it unlawful for any person to destroy, cause the loss of, or injure any coral reef that is subject to the jurisdiction of the United States. In addition, the bill would allow the government to start making responsible parties liable for the restoration and response costs. Currently, only those coral reefs protected under separate legal authorities, such as corals located within national marine sanctuaries, receive such protection. Based on information from NOAA, CBO estimates that the direct cost of the mandate would fall below the annual threshold established by UMRA for private-sector mandates (\$131 million in 2007, adjusted annually for inflation).

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